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NEWS CLIPPINGS –27-08-2018

Textiles, clothing exports jump 11% in July on govt policies, falling rupee	Business Standard https://www.business-standard.com/article/economy-policy/textiles-clothing-exports-jump-11-in-july-on-govt-policies-falling-rupee-118082500631_1.html

After a staggering 17 per cent decline in the April–June quarter, India's textiles and clothing exports revived to witness a jump of 11 per cent in July due to favourable government policies and rupee depreciation.

Data compiled by the DGCIS under the Union Ministry of Commerce showed total textiles and apparel exports at Rs 196.36 billion ($ 2.86 billion) for July 2018 compared to Rs 176.92 billion ($2.74 billion) for the corresponding month last year. Total textiles exports witnessed a jump of 15 per cent to Rs 108.79 billion ($1.58 billion) for July 2018 versus Rs 94.29 billion ($ 1.46 billion) in the comparable month of previous year. Moving in tandem, India's apparel exports recorded a jump of 6 per cent to Rs 87.57 billion ($1.27 billion) for July 2018 as against Rs 82.63 billion ($1.28 billion) for the same month last year.

Sudden surge in India's textiles and apparel exports, however, is attributed to supportive government policies which prompted the government to expedite refund on state and Goods and Services Tax (GST) levies on raw materials. Also depreciation in the rupee against the dollar helped Indian exporters to expedite execution of orders and also receivables.

The textiles and clothing sector in India is on the verge of turnaround. Their exports have jumped in 11 per cent after a steep fall between April & July quarter. It seems the worst is over for India's textiles and clothing industry,said Sanjay Jain, Chairman, Confederation of Indian Textile Industries (CITI).

Indian textile sector is the largest industrial employment provider, employing more than 100 million people directly and indirectly and a major industry for the economic growth of the country. Overall growth in exports during Apr - July 2018, therefore, stood 3 per cent vis-à-vis same period last year.

Further, the manmade fibre (MMF) segment, which is expected to be the growth driver of the industry in the coming years, has seen increase in production. Growth has been observed in production of man-made fibre, spun yarn and fabric during April-June 2018.

Refunds of state levies and GST have started coming in over the last few weeks. Apart from that, the government has given policy support to boost textile and clothing exports. Also, the rupee has depreciated below Rs 70 level against a dollar. All these factors accumulatively acted to support India's textiles and clothing exports in July. While, it is early to say that the worst is over for textile and clothing exports, we expected at least 7-8 per cent growth in their exports this year," said Rahul Mehta, President, Clothing Manufacturers Association of India (CMAI)

India&'s textile and clothing exports, however, remained flat at $39.2 billion in 2017-18, a marginal growth of $39 billion in the previous year.

The imports growth of textile and clothing has come down significantly. While the imports of textiles and clothing has increased from US$ 1.78 bn in April-June 2017 to US$ 1.87 bn in the same period this year, an increase of 5 per cent, it is significantly lower than the growth of 16 per cent last year. The measures taken by the government to increase the import duty on various textile and apparel items will help in further reducing the imports in coming months.

Cotton and Currency Markets	**Kotak Commodities Research Desk** **For more details contact : Research@kotakcommodities.com &** **aurobinda.gayan@kotakcommodities.com**

A. Cotton		
Spot price (Ex-Gin) 28.5 to29 mm		
Rs/Bale	Rs/Candy	USD Cent/lb
22565	47200	82.86
Domestic Futures (Ex-Gin) July		
Rs/Bale	Rs/Candy	USD Cent/lb
23270	46875	88.95
International Futures		
NY ICE USD Cents/lb. (Dec 2018)		81.63
ZCE Cotton: Yuan/MT (Jan 2019)		15905
ZCE Cotton: USD Cents/lb.		90.04
Cotlook A Index - Physical		92.55
B. Currency		
USD/INR	Close	Previous Close
Spot	69.798	69.909

Cotton Guide

Cotton futures finished the week fairly close to where it ended last week. Market was mixed for the week. December contract settled at 8163, up 24 points for the week. There were no notable developments in the US/China trade talks in Washington DC last week. The on-going trade war has not been positive for commodities. Cash buyers for cotton have mostly been on the sidelines. China's ZCE futures had a good start to the week, up the first 3 days and down the last 2. It still managed to post a small weekly gain of just over 1%.

On the trading front the aggregate trading volumes in the past week was steady around 20K contracts while the aggregate volumes were around 252,962 contracts. Basically market was steady in the last week.

On the other side of the world, Chinese State Reserve cotton on Friday's auction had a turnover rate of 77.69% spinners only. Offered were 30,006.655 tons (137,821 bales); and sold were 23,310.935 tons (107,067 bales). The cumulative turnover rate is 57.2% (offered versus sold). This auction series started at 24.1 million bales and 14.91

million bales remain.

On the technical front the market continues to present a very weak appearance. Prices are lingering just above long-term support. The daily modern work is mostly down. We see 8400/8450 as key resistance zone while 81 and 79 are two very important supports for the market.

FX Update

Indian rupee has appreciated by 0.28% to trade near 69.7 levels against the US dollar. Rupee has benefitted from general correction in US dollar and firmness in global equity market. The US dollar index trades near 95.05 levels after 0.5% decline on Friday post Fed Chairman Powell's comments. Powell maintained support for gradual rate hike stance but his comments that there was no sign of economy overheating or inflation accelerating above 2% eased worries about aggressive rate hikes.

The US dollar came under pressure also as the People's Bank of China said on Fridaythat it was adjusting its methodology for fixing the yuan's daily midpoint in order to keep the currency market stable. PBOC reintroduced the so-called counter-cyclical factor in its currency fixing mechanism to counter the bias toward a weaker Yuan. Asian equity markets trade largely higher today after rally in US equity market to fresh record high levels. Fed's gradual rate hike stance and stability in Yuan helped improve risk sentiment. Rupee may see some extended gains amid general correction in US dollar. USDINR may trade in a range of 69.5-69.9 and bias may be on the downside.

NTC workers strike enters sixth day, some go bare chested during strike	**Daily Hunt** https://m.dailyhunt.in/news/india/english/the+covai+post-epaper-covaipos/ntc+workers+strike+enters+sixth+day+some+go+bare+chested+during+strike-newsid-95424563

Even as the indefinite strike by National Textile Corporation (NTC) workers over wage revision entered sixth day, a group of workers today gathered in front of a mill here and removed their shirts and raised slogans in support of their demand.

Even as trade union leaders were raising slogans, about 10 male workers removed their shirts and remained bare chested, seeking immediate revision,police said.

The workers, numbering about 3,000 in seven NTC mills, including five in the city, were on strike seeking wage revision, as the earlier agreement ended in May.

With all major trade unions supporting the strike, the workers wanted immediate revision, whereas the management wanted them to wait for another five days, when senior offiicials are expected to visit on August 30.

According to AITUC sources, the wage was last revised in 2013 and the agreement period for the revised wages ended by May last.

Though representative of trade unions and NTC management held negotiations two days ago, it remained inconclusive, they said adding that unions were demanding 30 per cent hike.

Both the union and management are likely to hold talks before August 30, to arrive at an agreement before senior management officials reach the city.

Gujarat businessmen hit as Dollar strengthens	DNA India https://www.dnaindia.com/business/report-gujarat-businessmen-hit-as-dollar-strengthens-2655266

The strengthening of Dollar and weakening of Rupee and other currenices, have hit Gujarat businessmen hard. The crash in Turkish Lira has totally disrupted the export ofdyes to the middle-eastern country. The strengthening of Dollar has made imports costlier for ship recyclers in Alang. Sectors like pharmaceuticals, foundry and ceramics have also been at the receiving end of the sudden changes in the currency market globally.

The chemical and dye-stuffs sector is the worst hit because of a sudden fall in the value of Turkish Lira. About 45% drop in Lira has reduced the purchasing power of dye-stuffs importers there. Close to 60% of textile dyes produced in Gujarat is exported and Turkey constitutes close to 35% of total exports, informed Yogesh Parikh, president of Gujarat Dye-stuffs Manufacturers Association (GDMA). "Our exports have reduced to about 25% of what it was about over a month ago. We were relying on exports to fuel growth as the domestic market for dye-stuffs is stagnant. However, the export orders are also hit," said Parikh. He informed that about two months ago dye-makers working at over 70% of production capacity, this has been reduced to about 50% now and if things do not improve, it can further fall to 25% in next two months, he fears. Turkey also constitutes 5-7% of export of ceramics from Gujarat, KG Kundariya, president of Morbi Ceramics Association said that exports have been hit but the impact is limited. "The effect is for a short time. Orders are renewed after the currency stabilizes," said Kundariya. The ship recycling industry in Alang is also affected because of strengthening of Dollar. Local businessmen who buy ships for dismantling have to pay in Dollars. Nitin Kanakia, honorary secretary of Ship Recyclers Association of India said that while a significant share of transactions are hedged, a large part is also open to risk of volatility in currencies.

The strengthening of Rupee has affected all the currencies. The weakening of currencies of former Soviet republics have also affected the trade with India," said Bhagyesh Soneji, chairperson of Associated Chambers of Commerce and Industry of India (ASSOCHAM) – Gujarat chapter.

Turkey constitutes about 35% of exports of dyes from Gujarat. The rapid decline in the value of Lira has reduced the purchasing power of Turkish importers. Dyes were routed through Turkey to other destinations as well. Our exports have been reduced to about 25% of what it was over a month ago Yogesh Parikh, president, GDMA

We normally hedge currency risks, but we have been caught on the wrong foot because of the sudden depreciation in such a less time. Ship breakers will lose crores of Rupees as buying has become costlier because of strengthening of the Dollar. Nitin Kanakia, hon secretary, Ship Recyclers Association of India, Alang

Strengthening of Dollar has made imported raw materials costlier. The rupee has not depreciated much. Imports will become costlier but not much benefit is expected in exports because of hedging in near future. We can expect some benefits in exports in the next 2-3 months as Rupee has weakened. Amish Panchal, President, Institute of Indian Foundrymen

Maharashtra: Cotton crop in 700 villages hit by pink bollworm	Money Control https://www.moneycontrol.com/news/india/maharashtra-cotton-crop-in-700-villages-hit-by-pink-bollworm-2883271.html

The economic threshold limit is a parameter used to assess the outbreak of the pest. "This limit is crossed in the 700 villages which are mainly from Marathwada, Vidarbha and north Maharashtra regions," the official said.
As many as 700 villages in Maharashtra have officially confirmed that the outbreak of the pink bollworm infestation on cotton crops has crossed the "economic threshold limit", an official from Agriculture department said on August 26.

An economic threshold is the insect's population level or extent of crop damage at which the value of the crop destroyed exceeds the cost of controlling the pest. The crossing of the threshold means that a sizable amount of the crop may be lost to the pest, according to the official.

He said cotton is generally sown in 21,000 villages in the state. "This year, 39.7 lakh hectares of area has been brought under the cotton cultivation, compared to the last year's 41.1 lakh hectares," he said.

The economic threshold limit is a parameter used to assess the outbreak of the pest. "This limit is crossed in the 700 villages which are mainly from Marathwada, Vidarbha and north Maharashtra regions," the official said.

He said Agriculture department has already set up district-level committees comprising local officials in view of the pink bollworm infestation. "The state had produced 372 lakh bales of cotton in year 2017. Going by the outbreak and possible damage to the crops, the production could be around 365 lakh bales this year. There has been an urgent and mass-scale plan that would put a check on possible damage to the plants," he said.

When contacted, State Agriculture Commissioner Sacchindra Pratap Singh said he was closely monitoring the situation. "I am monitoring the daily updates related to cotton crop, as it is one of the important cash crops in the state. We have issued several key instructions to our teams as well as to farmers," he said.

Green process cuts water use, pollution in textile industry	The Hindu https://www.thehindu.com/sci-tech/science/green-process-cuts-water-use-pollution-in-textile-industry/article24780520.ece

Liquid, supercritical CO2 is used instead of water; sucrose octaacetate for starch

A completely green method developed by researchers from the University of Calicut, Kerala, can potentially do away with using water for sizing and desizing cotton and polyster yarn. Textile industry is highly water-intensive and also one of the biggest water polluters.

By using liquid and supercritical carbon dioxide instead of water, and sucrose octaacetate in place of starch, team of researchers led by Dr. Poovathinthodiyil Raveendran from the University's Department of Chemistry has made the sizing and desizing process eco-friendly. The results of the study were published in the journal *ACS Sustainable Chemistry & Engineering.*

Before the yarn is woven into fabric, it is coated with sizing agents to strengthen the yarn (to decrease breakages on the loom) and protect it from damage and reduce friction. Sizing also removes or smoothens the projecting microfibres that might interfere with the weaving process.

Traditionally, starch mixed in water is used for the sizing process, and this requires plenty of water. The used water is disposed of, leading to water pollution. “So we looked at changing the sizing process from a wet to a completely dry process,” says Dr. Raveendran. The researchers used liquid carbon dioxide as solvent and tested three agents that easily dissolve in carbon dioxide for sizing both cotton and polyester yarn.

Best agent

“Of the three agents tested, we found sucrose octaacetate produced the best results,” says Dr. Raveendran. The yarn had a smooth, glassy coating on the surface and the strength of the yarn (cotton and polyester) nearly doubled and the yarn exhibited improved mechanical properties essential for weaving. All the microfibres that protrude from the yarn were aligned and smoothened. The abrasion resistance also increased upon sizing.

The yarn after sizing has to be dried when water is used, making the entire process energy-intensive. But no drying is needed when liquid carbon dioxide is used as it is an inherently dry process. When the pressure of carbon dioxide is reduced to gas phase pressure, the carbon dioxide changes its state from a liquid to gas leaving the yarn dry. “The yarn becomes dry instantaneously,” he says.

Once the weaving is completed, the sizing agent has to be completely removed from the yarn as it might resist dyes and chemicals commonly used in textile processing. In the conventional desizing process, large volume of water is used for desizing or washing the fabric to remove the sizing agent from the yarn, which generates lots of waste water.

Instead of water, the researchers used supercritical carbon dioxide for desizing. “While both liquid and supercritical carbon dioxide have lower viscosity and surface tension compared with water, the molecular diffusion of supercritical carbon dioxide is 10 times more than liquid carbon dioxide,” says Dr. Raveendran. “The more the molecular diffusion, the faster will be the movement of molecules in the fluid and this determines the efficiency of cleaning.” The sizing agent dissolves in the supercritical carbon dioxide when it comes in contact with it.

As in the case of sizing, the yarn (in the fabric) becomes dry almost instantaneously when the pressure of carbon dioxide is reduced to gas phase pressure after desizing. And the sizing agent separates out from the yarn and settles at the bottom.

“The best part of this process is that it is zero-pollution, zero-waste as both carbon dioxide and the sizing agent (sucrose octaacetate), which is modified cane sugar, can be recycled endlessly,” says Dr. Raveendran. The researchers are next planning to scale up the process and are looking at setting up a pilot plant to test the green process.

‘Set up high-value textile-making units’	The Hindu https://www.thehindu.com/todays-paper/tp-business/set-up-high-value-textile-making-units/article24787879.ece

There is huge potential in the segment, says Manchester University academic

The textile industry can tap opportunities emerging globally in high-value manufacturing by converting fibre into fibre assemblies, according to Prasad Potluri, professor of robotics and textile composites and director of research at Northwest Composites Centre, University of Manchester.

Mr. Potluri, who were here recently, told The Hindu that high-value manufacturing sectors include aerospace, automotives, energy, and defence.

‘Century of fibres’

“Current century is of fibres, including carbon and glass fibres,” he said. “These will revolutionise the way we make products in the future,” he added. There is a huge potential for the textile industry in this segment. Those who are into technical textiles, even the small and medium-scale enterprises, can tap the potential in new fibres and convert those into suitable high value products, he added.

“The industry should go beyond high-volume business to high-value business. They need to build on what they already have. They can get into weaving of carbon and glass fibres,” Professor Potluri added. The technical textile units can be fibre converters. This sector is know-how driven. For the Indian industries, awareness should improve and they should get the technology.

G. Thilagavathi, professor and head of department, textile technology, PSG College of Technology, said there were a few units in the country that did three-dimensional fibre weaving.

The number is few as functionalities in three-dimensional weaving using these fibres are different and the units need to have the requisite technology and machinery for the purpose. In normal textiles, the price realised is minimum. In fibre assemblies, which can be converted into high-performance products, the realisation is much higher.

Regional Comprehensive Economic Partnership: ‘Understanding China key to a better position’	Indian Express https://indianexpress.com/article/business/economy/regional-comprehensive-economic-partnership-understanding-china-key-to-a-better-position-5325962/

Involving the most dynamic economies in Asia, RCEP promises to transform the region into an integrated market. For India, the megagrouping is in sync with its well-established Look East Policy, now upgraded to Act East Policy.

The Regional Comprehensive Economic Partnership (RCEP) is an ASEAN-centered proposal for a regional free trade area. It includes the ten ASEAN member states and those countries which have existing FTAs with ASEAN — Australia, China, India, Japan, Republic of Korea and New Zealand. The negotiations are comprehensive, covering trade in goods and services; competition policy and investment; economic and technical cooperation; intellectual property and dispute settlement, among other issues.

Involving the most dynamic economies in Asia, RCEP promises to transform the region into an integrated market. For India, the megagrouping is in sync with its well-established Look East Policy, now upgraded to Act East Policy.

The pact provides India an opportunity for closer integration into dynamic and thriving global and regional value chains, where its current presence is low. However, there are several considerations that India needs to keep in mind while undertaking the ongoing negotiations. To begin with, India has a substantial trade deficit with China, which has been recognised by both countries as unsustainable. China's trade surplus with India has increased from $36 billion in 2013-14 to $63 billion in 2017-18. Its exports to India are almost six times India's exports to China at $13.4 billion. While India ranks 7th among China's top export destinations, it ranks a low 27th among China's sources of imports.

For Indian industry, two matters regarding the Chinese economic model are of concern. First, different forms of pervasive production subsidies have been highlighted in studies by the US and EU as also evident in countervailing duties imposed on Chinese products by the US, India, EU and Australia. The other is the large presence of state-owned enterprises (SOEs) in the Chinese economy.

With lower tariffs arising from RCEP, there is the risk of India's trade deficit with China being further exacerbated. CII studied this aspect comprehensively in a recent report 'RCEP: A possible approach considering China's already large presence in the Indian market' prepared through consultations with industry stakeholders. This focuses upon both the offensive and defensive concerns of Indian industry and suggests a roadmap for India to best leverage the RCEP. The main issues to be addressed while considering concessions under RCEP to China include the competitiveness of Indian products and economies of scale.

India has already entered into free trade agreements (FTAs) with ASEAN, Japan and Korea and is negotiating FTAs separately with Australia and New Zealand. The closest preferential trading arrangement India has with China is the limited Asia Preferential Trading Agreement (APTA).

Even without a trade agreement, the share of Chinese products in India's imports has been steadily rising from 11 per cent in 2013-14 to over 16 per cent in 2017-18. With excess capacity in Chinese manufacturing, liberal concessions to China could handicap India's industrial growth.

Looking at all manufactured imports, including mineral fuels, chemicals, plastics, rubber, leather, textiles, apparel, iron and steel, non-ferrous metals, capital goods etc, over a period of five years, CII recommends that products where China's share is dominant or monopolistic should not be included for tariff reductions under RCEP. Products on which anti-dumping duties are levied are also recommended for exclusion.

Second, Indian industry is also conscious of the huge opportunities in the Chinese market. By using the revealed comparative advantage (RCA) method, a list of products has been identified wherein India can seek tariff concessions from China. These include marine products, chemicals, pharmaceuticals, textile and apparel, rubber, iron and steel and nonferrous metals, plastics, and machinery, among others. It would be vital to ensure that non-tariff barriers affecting exports are also addressed, particularly for pharmaceuticals.

Three, our study indicates that India will benefit from deferred tariff concessions, which would be implementable over a longer time horizon, perhaps after 2025. This would give our manufacturing sector time to adjust and to build up competencies to leverage RCEP.

Four, a new national industrial policy that fully takes into account the RCEP challenges is required to promote a robust industrial and export-friendly infrastructure. It would integrate industry and trade and aim at lowering transaction costs and enhancing competitiveness. Indian industry should also attempt to better understand the East Asian business culture and suitably orient its business strategies. These actions are in any case necessary, irrespective of India's membership of the RCEP. However, RCEP lends this strategy greater urgency.

For Indian industry, RCEP as a mega trade agreement for the region is an avenue for huge new opportunities that must be leveraged. In the ongoing dialogue, India must make a persuasive case since the bilateral trade deficit we have with China is of an exceptional kind. For RCEP members, giving India adequate time to enhance its trade capacity and competitiveness will mean a larger and better market for their products after the adjustment period is completed. With this provision, RCEP can fulfill the larger objective of being a potent instrument for growth and development of the Asian region.

Kyrgyzstan's representatives to take part in int'l textile conference	**Trendz News** https://en.trend.az/casia/kyrgyzstan/2943991.html

Representatives of Kyrgyzstan's textile business will take part in the First International Textile Conference, to be held in Uzbekistan on September 4, 2018, the Kyrgyz national news agency Kabar reported.

"Uzbekistan Textile Conference" will be devoted to the latest trends in the industry, the development of international textile technologies, certification and digital marketing, scientific research in the development of "smart" textiles.

In particular, the trends of developing textile clusters, the issues of certification of textile products for the European market, the expansion of the range of textile products, the increase in the export volume, the current state and prospects of the world textile industry, the legal regulation of relations in the field of electronic commerce, digital technologies in the textile and clothing industry, trends in the fashion industry are planned to be discussed.

The Bangladeshi method is planned to be considered for the growth of the textile industry in Uzbekistan.

The unique opportunities for creative business presented by Uzbek and international textile companies, as well as advantages in the supply of ready-made clothing, will be showcased at the event.

Along with discussion of the current state and prospects of the world cotton fiber market, participants of the event will review the conditions created for attracting foreign investments to Uzbekistan's textile industry.

Representatives of the textile business from Germany, Switzerland, South Korea, China, Russia, India, Japan, Bangladesh, Kazakhstan, Turkmenistan, the US, France, Russia and more than 30 countries will also attend the conference.

There are more than 150 joint textile, clothing and knitwear enterprises in Uzbekistan today.

Jobs creation: PTI-led govt needs to set its priorities right	**The News** https://www.thenews.com.pk/print/359316-jobs-creation-pti-led-govt-needs-to-set-its-priorities-right

The PTI-led government's ambition to create 10 million jobs in next five years can be achieved, if it sets its priorities right.

Unemployment in Pakistan is high, mainly due to unavailability of skilled manpower and stagnant manufacturing sector. Imparting skills to the workers is a long-term process.

The government will first have to improve the literacy rate to the level that enables the workers to learn the new technology and its operations; followed by selection of industries that are labour intensive and require minimum learning of skills so that the workers could get on-job trainings.

The unskilled labour force can be provided employment in construction and agriculture sectors. The new government has announced to construct 500,000 low-cost houses during its five year tenure, which will provide employment to a large number of workers. The previous government created most of the jobs in this sector mainly because of its emphasis on mega infrastructure projects, including those constructed under CPEC. If the present government continues its thrust on strengthening infrastructure, then it would create additional jobs from the construction of half a million new houses. However, if the infrastructure spending is drastically cut, the job creation from this sector would be minimal. Agriculture sector could be instrumental in creating rural manufacturing jobs, if the government somehow succeeds in persuading the farmers to go for value-added agriculture instead of depending on grains and some cash crops for the industry.

Cotton production though creates a few jobs at basic textile level, but the downstream job creation is high and has the potential to multiply with proper planning. Sugarcane creates nominal jobs at the manufacturing level and the crop encroaches on the land needed for some useful crops. We are not into value adding our fruits and vegetables. We see imported processed vegetable and fruit products in our large stores. We are not exporting value-added fruit juices or processed vegetables. Food processing mills in the rural areas would create jobs for rural youth and earn foreign exchange for the country. Since it would be difficult to establish high-tech industries in Pakistan because of the lack of skilled manpower, the major avenue of job creation would be the apparel sector. This sector has grown on its own by small entrepreneurs through hard work and skilled marketing.

Marketing apparel products in the global markets is a difficult job. Small entrepreneurs have learnt this art after decades of dedicated learning, custom manufacturing and marketing.

Many of these small exporters have graduated to medium sized entrepreneurs. Almost all of them are growing at a rate of five percent to 10 percent/annum. They are expanding their capacities from the cash they annually save. They are seldom facilitated by the banking sector. Over 90 percent of the bank loans go to the basic textile sector and apparel sector hardly gets five percent of the total textile loans. They cannot expand at the desired speed because of the lack of facilitations. The main negotiators for government concessions are also from basic textiles.

The spinners and weavers now realise that the future is in value addition. They; however, have been tuned to getting large orders of yarn and fabric without efforts. For apparel, you have to knock the door of hundreds of foreign buyers that place small orders, at the initial stage. They try to engage a big buyer, which proves risky because if that single buyer backs out the entire project gets derailed. It would be better for the new government to first facilitate the already established apparel exporters. This would immediately boost exports and create the desired number of jobs planned by the government.

The major reasons for the reduced level of contribution by manufacturing in the past has been the inability of the country to build and maintain competitiveness needed to meet the global challenges, as well as to develop a larger domestic market through low-cost production.

Besides carrying the major burden of creating employment opportunities, the effect of improvement in the manufacturing sector goes far beyond the goods provided by it. Manufacturing sells goods to other sectors and, in turn, purchases materials and services from them for its growth and development.

Manufacturing spurs demand for everything from raw materials to intermediate components. It impinges on software to financial, health, accounting, transportation, and other services in the course of doing business.

EU's investment in Egypt reaches 15.1 bln USD	**Xinhuanet** http://www.xinhuanet.com/english/2018-08/25/c_137416728.htm

Egyptian Minister of Trade and Industry Amro Nassar said on Friday that the investment of the European Union (EU) in Egypt is estimated at 15.1 billion U.S. dollars.

"The volume of trade between Egypt and the EU countries reached 26 billion U.S. dollars in 2018, and 13.4 billion dollars in the first half of 2019," Nassar was quoted by official MENA news agency as saying.

He added that the trade exchange between the two sides mainly concentrated on furniture, medical industry, leather products, agriculture crops, electronics, food, and textile and construction materials.

"Britain ranked the first with 5.3 billion dollars which constitutes 35 percent of the value of the EU's investment in Egypt, followed by Netherlands, Italy and France," the report added.

The minister added that the EU is Egypt's largest trade partner and investor, underlining the importance of enhancing the investment cooperation to boost exports to the regional and international markets.

He hailed Egypt's role as a trade hub for many markets in Africa and the Middle East region.

Egypt has been suffering economic difficulties over the past few years due to political instability and relevant security issues.

In late 2016, Egypt started a strict, austerity-based three-year economic reform program including local currency liberalization as well as fuel and energy subsidy cuts and tax hikes to contain a budget deficit, promote local production and boost foreign investment.

VN's trade with India sees strong growth	**Vietnam News** https://vietnamnews.vn/economy/464534/vns-trade-with-india-sees-strong-growth.html#yoHEA5AZjXrRAq18.97

Two way trade between Việt Nam and India experienced a significant yearly increase of 50 per cent to US$6.36 billion over the past seven months of this year, statistics from the General Department of Customs revealed.

The positive bilateral trade was mainly due to Vietnamese exports at $3.92 billion, a year-on-year increase of 96 per cent, according to the data.

Among major staples, machinery, equipment and parts recorded the strongest turnover with $1.23 billion, up 590 per cent year-on-year and contributing 32 per cent of Việt Nam's total exports to India.

Handsets and components came next at $470 million, up 72 per cent, followed by computers, electronics and parts at $380 million, up 26 per cent, and metal and metal-made products at $353 million, up 40 per cent.

Others recording impressive export growth were bamboo-made goods at 1,470 per cent; iron and steel products at 270 per cent; means of transport and components at 170 per cent and products from plastic and rubber at 150 per cent and 100 per cent, respectively.

From January to June, Việt Nam imported $2.44 billion worth of goods from India, surging 9.2 per cent over the same period last year, with cotton taking the lead at $320 million, up 44 per cent.

Việt Nam resumed its import of maize from India, worth $23 million, a hike of 1,800 per cent while spending $145 million on importing animal feed and raw materials from the market, an increase of 29 per cent.

In the period, the Southeast Asian nation also upped its imports of several other goods from India such as metal (up 180 per cent); automobile components (130 per cent); plastic materials (up 110 per cent) and ore and other minerals (75 per cent).

Most notably, Việt Nam posted a trade surplus of $1.48 billion with India in the seven-month period.

The two countries will explore substantive and practical measures to achieve the bilateral trade target of $15 billion by 2020, according to a joint statement issued during the official trip by Vietnamese President Trần Đại Quang to India in May.

"In order to realise potential to both increase the volume of trade and diversify its composition, the two countries' leaders requested the relevant ministries and agencies on both sides to explore substantive and practical measures to achieve the target including but not limited to utilising established mechanisms, strengthening exchanges of trade delegations, business-to-business contacts, regular organisation of trade fairs and events," the joint statement said.

As per the statement, both sides urged leaders of businesses and industries to explore new trade and investment opportunities in identified priority areas of co-operation.